7: International Bank N, S-4 (1951) 1952 MH1 Iraq MH1

centers such as Amara and Kut are linked neither by rail nor by all-weather roads to Basra and Baghdad.

In Basra, Iraq possesses an excellent port capable of handling a considerable increase in traffic. Upcountry cargo into and out of the port is handled almost wholly by railway, for inland river traffic has declined greatly in importance owing to shallow water and other impediments to navigation.

The port and the railways are each run by an autonomous administration operating under a separate budget.

VII. Money and Banking

The banking system consists of the National Bank, five commercial banks, a number of private banks or *sarrafs*, the post office savings bank, and three state-owned longer-term financing institutions, the Industrial Bank, the Agricultural Bank and the Mortgage Bank.

The National Bank succeeded the Iraq Currency Board as the currency-issuing authority in 1949. Iraq is a member of the sterling area, so that its currency is backed principally by sterling assets in London. Although the law permits the currency to be backed up to 30 percent by Iraqi government securities, as of March 31, 1951, the total amount of currency in circulation was more than covered by sterling assets. Aside from its note-issuing function, the Bank is charged with the administration of foreign exchange control and the supervision of the banking system in accordance with a bank control law which became effective at the beginning of 1950. This law requires banks to keep the equivalent of 15 percent of their time and demand deposits as a reserve with the National Bank and to keep 50 percent of these deposits in the form of cash and investments in Iraq. The National Bank is empowered to reduce the reserve requirement to 10 percent and to vary the second between 30 and 70 percent. Since the commercial banks have had no need for recourse to the National Bank in order to replenish their cash resources, the Bank's loans and advances have remained very small. As of March 31, 1951, they

4/96 By contrast, various railway sections built during the war (Baquba—Kut-al-Imara, Tanua—Hashimiya) were abandoned or dismantled after the war.

• 4/97 The railway traffic is shown by the following table, in which the years refer to fiscal years beginning on 1 April of the year stated:

	Passenger-kilometres	*Freight net ton-kilometres*
	(in millions)	
1928	89	147
1932	144	156
1937	251	302
1942	566	814
1947	631	606

There is a daily passenger and goods service (in both directions) on the Basra—Baghdad—Kirkuk—Khanaqin line; the traffic between the railway centres and the inland markets of Iraq and Iran is carried by road.

In 1946, the rolling-stock consisted of 114 engines, 324 passenger carriages and 6,642 goods vans.

Road Network

4/91 The actual construction of a road network in Iraq was begun after the First World War. At present (these figures relate to the end of 1948), the country has 7,320 kilometres of road; these roads are inspected and maintained by the government and are made up as follows:

3:Royal Institute of International Affairs U-4 (no date)1954 M1 Middle East
Iraq MH1

basis of the Iraqi State Railways, which were made over to the civil authorities set up by the British Government in 1920, and in 1923 to the newly-formed Government of Iraq. They became the property of the Iraq Government on 1 April 1946. They consist at present of two gauges. A metre-gauge line runs from the Port of Basra to Baghdad, and thence across the River Tigris by the new bridge to Kirkuk and Arbil. This line has branches from Shuaiba Junction to Shuaiba, Zubair, and Jebel Sanam Quarry, from Ur Junction to Nasiriya and from Jalula Junction to Khanaqin. A standard-gauge line connects Baghdad to Tel Kochek on the Syrian frontier. A through rail service with air-conditioned coaches on the section Basra to Baghdad connects with the Taurus express from Baghdad via Mosul to Istanbul and thence to continental Europe and Great Britain. The through standard-gauge connexion from Baghdad to Tel Kochek was opened for traffic on 15 July 1940. An extension of the metre-gauge main line from Kirkuk to Arbil was opened to traffic on 6 June 1949. There is a total of 1,050 miles open, of which 328 miles are standard (4 ft 8½ in.) gauge and 722 miles metre gauge. 496

For the year ending 31 March 1951 the total receipts were ID3,870,174, total expenditure ID3,816,974, number of passengers carried 3,809,412, goods 1,890,413 tons. 497

Roads. At the end of 1948 Iraq contained some 1,400 miles of surfaced metalled roads, 250 miles of unsurfaced metalled roads, and 5,000 miles of earth roads. Most of the metalled roads are in the immediate vicinity of Baghdad, between Baghdad and the east and north, and in the north. Elsewhere their lack is due mainly to the absence of suitable road material and the expense of bringing it to the site. The earth roads which take their place, especially in the southern plains, are levelled and where necessary embanked and bridged but are vulnerable to the rains. Their defects are to some extent offset by the flatness of the construction and repair. 491

The main transport routes are: Baghdad to Mosul via Samarra; Baghdad to Mosul via Kirkuk and Irbil; Kirkuk to Sulaimania and Halabja; Irbil to Rowanduz from north-west Persia; Mosul to Amadiya; Mosul to Zakho; Mosul to Tel Kochek for north-east Syria and Turkey; Baghdad to Khanaqin for Persia; Baghdad to Basra via Kut and Amara; Baghdad to Basra via Hilla and Samawa; Baghdad to Kerbela; Baghdad to Rutba for Syria and Jordan.

In 1950 a governmental committee drew up a ten-year programme which provided for the construction or improvement of some 2,150 miles of road. First priority was accorded to